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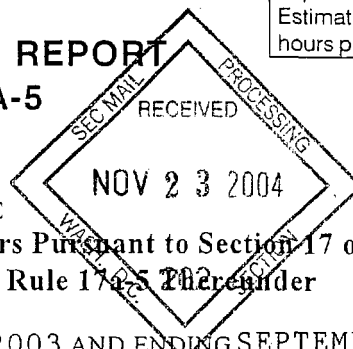
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 thereunder

OMB APPROVAL
OMB Number: 3235-0123
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8-02399

REPORT FOR THE PERIOD BEGINNING September 27, 2003 AND ENDING SEPTEMBER 24, 2004  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: D.A. Davidson + Co.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

8 3rd Street North

OFFICIAL USE ONLY
FIRM I.D. NO.

<u>Great Falls</u>	<u>MT</u>	<u>59401</u>
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Darrell L Block 406-727-4200

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

(Name - if individual, state last, first, middle name)

<u>401 North 31st Street</u>	<u>Billings</u>	<u>MT</u>	<u>59101</u>
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED

DEC 07 2004

THOMSON  
FINANCIAL

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

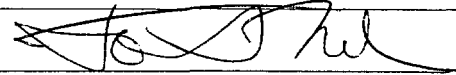
Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

0872-10

# OATH OR AFFIRMATION

I, Tom S. Nelson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of D.A. Davidson & Co., as of September 24, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Security amounts of principal officers and directors that are  
classified as customer accounts (debits \$357,806, credits \$454,605)



Signature

CFO

Title



Notary Public

Cascade County, Montana: Commission expires June 1, 2008

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

**D.A. DAVIDSON & CO.**  
Statements of Financial Condition

<u>Assets</u>	<u>September 24, 2004</u>	<u>September 26, 2003</u>
Cash and cash equivalents	\$ 11,830,303	9,702,025
Receivables:		
Customers, net	100,664,901	90,822,113
Brokers, dealers and clearing organizations	15,329,401	17,297,477
Related parties	991,243	2,211,093
Other	3,049,414	3,171,508
	<u>120,034,959</u>	<u>113,502,191</u>
Securities at market or estimated market value:		
Municipal bonds	7,187,857	5,147,681
U.S. Government obligations	3,082,245	1,632,828
Corporate bonds	428,326	328,382
Common and preferred stock	15,825,030	8,975,301
Options	18,619,660	10,106,123
	<u>45,143,118</u>	<u>26,190,315</u>
Exchange memberships at cost (estimated fair market value \$22,500 in 2004 and \$91,000 in 2003)	70,750	165,450
Equipment and leasehold improvements (less accumulated depreciation and amortization of \$12,851,033 in 2004 and \$10,981,570 in 2003)	6,598,071	7,037,582
Cash surrender value - life insurance	732,443	696,745
Notes receivable, net	4,725,958	6,648,627
Goodwill, net	2,395,337	2,395,337
Other assets	5,615,480	3,877,375
Deferred tax asset	6,604,573	6,456,045
	<u>26,742,612</u>	<u>27,277,161</u>
	<u>\$ 203,750,992</u>	<u>176,671,692</u>
<b><u>Liabilities and Shareholder's Equity</u></b>		
Liabilities:		
Checks in advance of deposits	\$ 5,221,490	6,448,822
Payables:		
Brokers, dealers and clearing organizations	6,835,002	10,909,262
Customers' special free credits	39,768,656	27,365,261
Customers' other credits	5,448,164	4,305,614
Related parties	1,983,285	2,733,223
Market value of securities sold, but not yet purchased	38,958,520	26,351,101
Income taxes	1,151,260	1,130,249
Accrued payroll and profit sharing	26,608,574	23,253,324
Other payables and accrued liabilities	4,504,900	4,793,591
Total liabilities	<u>130,479,851</u>	<u>107,290,447</u>
Commitments and contingencies		
Shareholder's equity:		
Common stock (\$.10 par value. Authorized 3,000,000 shares; 1,000 shares issued and outstanding)	100	100
Additional paid-in capital	11,725,933	11,494,476
Retained earnings	61,545,108	57,886,669
Total shareholder's equity	<u>73,271,141</u>	<u>69,381,245</u>
	<u>\$ 203,750,992</u>	<u>176,671,692</u>

See accompanying notes to the financial statements.